The Lawyers' Fund for Client Protection

November 13, 2006

MEMORANDUM

To: Trustees

From: T.O'S.

Subject: Standards For Evaluating Lawyers Funds

FYI

In June 2006, the National Client Protection Organization (NCPO) adopted the attached Standards for Evaluating Lawyers Funds for Client Protection.

These Standards are intended to serve as aspirational goals against which a Fund can measure its performance in providing protection to law clients.

There are Model Rules, developed by the American Bar Association, which provide guidance for the structure and organization of Lawyer Funds. The NCPO adopted these Standards as a compliment to the Model Rules in order to encourage the Nation's Funds strive for the highest level of client protection.

The driving force behind the development of these Standards was our friend Ken Bossong, the long-time Director of the New Jersey Client Protection Fund. The final version resulted from the collaborative efforts of NCPO members involved with the Funds throughout the United States and Canada.

A review of these Standards illustrates the strength and success of the New York Fund. We are fortunate to operate as an independent public trust with a steady and reliable source of financing that allows us to be responsive to clients in need. Unfortunately, a fair number of other Client Protection Funds do not yet meet the criteria set by these Standards.